



Control Number: 52373



Item Number: 173

# *Public Utility Commission of Texas*

## **Commissioner Memorandum**

2021 OCT 13 PM 3:23

**TO:** Chairman Peter M. Lake  
Commissioner Lori Cobos  
Commissioner Jimmy Glotfelty

**FROM:** Commissioner Will McAdams

**DATE:** October 13, 2021

**RE:** Project No. 52373, Item No. 23 – *Review of Wholesale Electric Market Design*

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I have been reviewing stakeholders' market design proposals filed in this project. While I appreciate the depth of thought and effort put into the responses, I also believe that they have largely neglected to meaningfully address the idea of changing ERCOT's generation interconnection process. Altering the order of the generation interconnection queue could be a straight-forward, mechanical modification to incent more dispatchable generation. At present, there are 13,000 MW of natural gas generation projects and 42,000 MW of battery projects at various stages of the interconnection queue. By prioritizing these projects within their respective stages of the process, we may accelerate their inclusion in the generation fleet.

As such, I believe the Commission should direct ERCOT to prioritize all generation capable of dispatching for four hours at transmission voltage in the generation interconnection queue on an annual basis. Further, I would include non-dispatchable projects that are paired with dispatchable resources in this prioritization. With this change, I would have the Commission work with the transmission service providers to establish reasonable but aggressive deadlines to approve interconnection studies for these projects.

As the Commission takes up market design changes, this proposed policy is one component to a layered regulatory strategy, signaling to our market to put steel in the ground and build resources that will strengthen ERCOT's control over the grid. I believe this memo and the policy it proposes can be expeditiously implemented and is consistent with Governor Abbott's directives of July 6, 2021.

I look forward to discussing this matter with you at the next work session.